



Audit Report

Pearson Education Limited

31 May 2018

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1 Background

This was the sixth audit of Pearson Education Limited (Pearson) since it was approved as an awarding body by SQA Accreditation in November 2006. Pearson headquarters is situated in Holborn, London.

1.1 Scope

SQA Accreditation carries out quality assurance activity in line with its *Quality Assurance of Approved Awarding Bodies Policy*. This states the type and frequency of our quality assurance activities, describes our reporting procedures, and indicates how the awarding body's Quality Enhancement Rating is calculated.

As this was a full audit of Pearson, all regulatory requirements were included within the scope of the audit. Our quality assurance activities are conducted on a sampling basis and, consequently, not all aspects of the awarding body's systems, procedures, and performance have been considered in this report to the same depth.

SQA Accreditation audit reports are written by exception, focusing only on those areas where corrective action is required or recommended. Consequently, this approach to audit reporting does not detail areas where compliance or good practice was found.

The audit was designed to ensure Pearson complies with SQA Accreditation's regulatory requirements, namely:

- ◆ *SQA Accreditation's Regulatory Principles* (2014)
- ◆ all *Regulatory Principles* directives
- ◆ the awarding body's Accreditation Licence

Awarding body documentation considered for review by the Audit Team includes all documents banked on Pearson's SharePoint site at the time of audit, and information supplied to support audit activity. Restricted or commercially sensitive information gathered during SQA Accreditation's quality assurance activities is treated in the strictest confidence.

1.2 Audit Report and Action Plan Timescales

Pearson audit date:	31 May 2018
Audit Report approved by Accreditation Co-ordination Group on:	4 July 2018
Audit Report to be signed by Pearson:	19 August 2018
Action Plan to be e-mailed to regulation@sqa.org.uk by Pearson:	19 August 2018

The process will apply in relation to the timescales specified above:

- ◆ The awarding body will be sent two signed copies of the Audit Report by post.
- ◆ The awarding body must sign both copies of the Audit Report and return one by post to SQA Accreditation in accordance with the timescale specified above.
- ◆ The awarding body will also be e-mailed a copy of the Audit Report (for information only) and an electronic copy of the Action Plan.
- ◆ The awarding body must complete and return the Action Plan in accordance with the timescale specified above and e-mail this in Microsoft Word format to regulation@sqa.org.uk.
- ◆ SQA Accreditation will confirm when the Action Plan is appropriate to address the Issues and present it to Accreditation Co-ordination Group (ACG) for approval.
- ◆ Following approval by ACG, the awarding body will be sent two signed copies of the approved Action Plan by post.
- ◆ The awarding body must sign both copies of the Action Plan and return one by post to SQA Accreditation.

The findings of this Audit Report and the associated Action Plan will be published on SQA Accreditation's website following signed agreement.

SQA Accreditation will continually monitor progress towards completion of the proposed actions identified in the Action Plan and update the awarding body's Quality Enhancement Rating as appropriate.

1.3 Summary of Audit Issues and Recommendations

An Issue has been recorded where evidence shows that the awarding body is not compliant with SQA Accreditation's regulatory requirements. The awarding body must address the Issues and specify corrective and preventative measures to address them through its Action Plan.

The Action Plan is e-mailed to Pearson as a separate document to the Audit Report, and must be submitted to SQA Accreditation in accordance with the timescale specified in 1.2. As a result of the audit and post-audit activities, five Issues have been recorded and five Recommendations have been noted.

Issue	Detail of Issue recorded	Risk rating
1. Principle 3	The awarding body could not produce a current business, operational or strategic plan in respect of its division on the day of the audit. Consequently, the Accreditation Auditors could not evidence management commitment to Scotland, SQA Accreditation and SQA accredited qualifications, nor identify the awarding body's objectives.	High
2. Principle 5, 6	There were several inconsistencies across the various quality assurance documents which, to all intents and purposes, detail the same information and make the quality assurance process appear more complex and not user friendly for providers.	Low
3. Principle 9, 2	The qualification development and review processes and procedures reviewed did not properly document or accurately take into account the differences in submissions relating to SQA Accreditation.	Medium
4. Principle 10,4	Information retained on two separate awarding body systems conflicted with one another. Allowing for the possibility that providers could register candidates where they have been deemed inactive, resulting in the potential that no quality assurance will have been conducted for a sustained period of time, leading to substandard qualification delivery.	High

5. Principle 15, 7	The awarding body did not contact SQA Accreditation in the first instance to seek approval for late certification. Second, Pearson staff appear to be unaware of how to process a late certification request for SQA accredited qualifications.	Medium
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A Recommendation has been noted where SQA Accreditation considers there is potential for improvement. The awarding body is advised to address any Recommendations noted as good practice. However, measures to correct or prevent these are not mandatory and therefore do not form part of the Action Plan.

Recommendation	Detail of Recommendation noted
1. Principle 1, 6	It is recommended that Pearson provide a sample of key committee agendas and minutes. Furthermore, the awarding body is recommended to actively review and update SharePoint as and when Pearson policies and documents are updated, to keep all documents valid and current.
2. Principle 5	The awarding body is recommended to revise its documentation, to better reflect the geographical flexibility of SQA accredited qualifications, rather than stating 'in Scotland' or 'Scottish Centres'.
3. Principle 6	Pearson withheld certificates for 18 months, due to a financial issue with a provider, a situation which disadvantaged the candidates involved for a substantial length of time. However, this issue has subsequently been rectified, and a policy put in place to ensure that this does not happen in the future. It is recommended that the awarding body continue monitoring adherence to this policy.
4. Principle 9	It is recommended that the awarding body review the listing reports that SQA Accreditation produces, to confirm and verify the start, lapse, and end dates of qualifications accredited.
5. Principle 15, 7	The awarding body may wish to enhance the late registration process to ensure that the qualification regulator is notified when any such exceptional circumstances occurs in relation to late registrations and to ensure that a strong rationale for the late registrations is given by Providers

1.4 Risk Rating of Issues

SQA Accreditation assigns a rating to each Issue recorded, depending on the impact on or risk to the awarding body's operations, its SQA accredited qualifications, and/or the learner. Issues recorded during the audit will count towards Pearson's Quality Enhancement Rating which will, in turn, contribute towards future quality assurance activity. Further details on how the Quality Enhancement Rating is calculated can be found on the [SQA Accreditation website](#).

2 Detail of Audit Issues and Recommendations

The following sections detail Issues recorded and Recommendations noted against SQA Accreditation's regulatory requirements.

2.1 Issues

Regulatory Principle 3. The awarding body shall have clearly defined business planning processes which show evidence of management commitment, decision making and ongoing review.

The awarding body could not produce a current business, operational or strategic plan in respect of its division on the day of the audit. Therefore, the Accreditation Auditors could not evidence management commitment to Scotland, SQA Accreditation and SQA accredited qualifications, nor identify the awarding body's objectives. The Accreditation Auditors discussed with awarding body representatives that an absence of such planning and objectives may be resulting in diminishing numbers of Pearson providers delivering SQA Accredited qualifications.

This has been recorded as **Issue 1**.

Regulatory Principle 5. The awarding body shall provide clear information on its procedures, products and services and ensure that they are accurate and appropriate to SQA accredited qualifications.

And

Regulatory Principle 6. The awarding body and its providers shall maintain accurate documents, records and data.

The Accreditation Auditors discussed with awarding body representatives the process inconsistencies found in the variety of quality assurance documents and the awarding body website. The auditors also questioned the need for the many different documents which, to all intents and purposes, detail the same information and make the quality assurance process appear more complex and not user friendly for providers.

This has been recorded as **Issue 2**.

Regulatory Principle 9. The awarding body shall ensure that it has robust systems and processes for the identification, design, development, implementation and review of qualifications, which meet the needs of users.

And

Regulatory Principle 2. The awarding body shall ensure it has the necessary resources to carry out effectively its operational functions to meet regulatory requirements.

The qualification development and review processes and procedures reviewed did not properly document or accurately take into account the differences in submissions relating to SQA Accreditation. Furthermore, Pearson staff have been inconsistent in their approach to coming forward to SQA Accreditation with submissions, and this reflects a lack of understanding of the nuances of SQA Accreditation procedures.

The Accreditation Auditors understand that the qualification development policy entitled 'Pearson Qualification Development Guide to World Class Regulated Qualifications' (Pearson, February 2015, Version 2.2) makes reference to SQA Accreditation and did include a process flow chart, although this only details the basic process of submitting to SQA Accreditation and mostly details SQA Accreditation's ACG process. It does not adequately reference the requirements of the awarding body's own internal processes for submissions to reach SQA Accreditation.

Furthermore, this information, in the auditor's opinion, was lost in the depth of the policy and was not reflected in the document appendices where the full internal process was documented, and where policy users would be more likely to review and follow. Rather, the detailed process reflected another regulatory process not relevant to SQA Accreditation. This lack of understanding of process in relation to coming forward to SQA Accreditation is further substantiated by the fact that an accredited qualification BTEC certificate in Teamwork, Personal Skills and Citizenship in Youth Organisations at SCQF Level 4 is due to lapse on 30 June 2018 and no AC2 submission has yet been made. Communication has been sent to Pearson, but at the time of writing this report, there has been no response. The later part of this Issue also links to Recommendation 1.

This has been recorded as **Issue 3**.

Regulatory Principle 10. The awarding body shall ensure that it has the necessary arrangements and resources for the effective delivery, assessment and quality assurance of SQA accredited qualifications.

And

Regulatory Principle 4. The awarding body shall continually review the effectiveness of its business services, systems, policies and processes.

The Accreditation Auditor reviewed the Centre Risk Management Spreadsheet and determined that certain providers had been designated as inactive, which in turn means that no quality assurance activity was being conducted. However, a second system reviewed

was allowing providers to continue to register candidates, despite being designated as inactive, and potentially not having been subject to quality assurance activity for a sustained period of time. The awarding body representatives explained that, if registrations occurred, this would trigger a quality assurance visit. Nevertheless, they admitted that this would not be imminent, but rather follow their standard quality assurance timeframes, and that these would not be quick enough for the likes of short courses. Due to the nature of short qualifications, the delivery would have occurred before quality was assured, potentially leading to substandard delivery.

This has been recorded as **Issue 4**.

Regulatory Principle 15. The awarding body and its providers shall have effective, reliable and secure systems for the registration and certification of learners.

And

Regulatory Principle 7. The awarding body shall have effective arrangements for communicating with its staff, stakeholders and SQA Accreditation.

The Accreditation Auditors reviewed the data returns information previously provided by the awarding body and determined that Pearson had certificated six candidates for BTEC Award in Security Guarding (Scotland) R087 04 in quarter two of 2017, when the qualification had expired on 31 December 2015. The first concern in relation to this is that the awarding body had not contacted SQA Accreditation in the first instance to seek approval for late certification, as required by our Regulatory Principles and as set out in our Regulatory Principle Guidance Notes — Principle 15 — Requesting Certification for Expired Qualifications. Secondly, Pearson staff appear to lack awareness of the process for processing a late certification request for SQA accredited qualifications.

This has been recorded as **Issue 5**.

2.2 Recommendations

Regulatory Principle 1. The awarding body shall have clearly defined and effective governance arrangements.

And

Regulatory Principle 6. The awarding body and its providers shall maintain accurate documents, records and data.

The Accreditation Auditors reviewed the governance documents on SharePoint prior to the audit. Certain documents made reference to key committee groups. However, there was no evidence of minutes, agendas or terms of reference of these on SharePoint prior to the audit. It is recommended that Pearson provide a sample of these for key committees. Furthermore, the awarding body is recommended to actively review and update SharePoint as and when Pearson policies and documents are updated, to keep all documents valid and current.

This has been noted as **Recommendation 1**.

Regulatory Principle 5. The awarding body shall provide clear information on its procedures, products and services and ensure that they are accurate and appropriate to SQA accredited qualifications.

In various documents the terms 'Scottish qualifications' or 'Pearson qualifications in Scotland' was used. This is erroneous and misleading; they should be referenced as SQA accredited qualifications, and it should be noted that Pearson deliver SQA accredited qualifications UK wide. Furthermore, the term 'Scottish Centres' is used. This is also misleading, as not all providers delivering SQA accredited qualifications are based in Scotland. Consequently, the awarding body may wish to revise its documentation to better reflect SQA accredited qualifications.

This has been noted as **Recommendation 2**.

Regulatory Principle 9. The awarding body shall ensure that it has robust systems and processes for the identification, design, development, implementation and review of qualifications, which meet the needs of users.

On the day of the audit, some discrepancies were identified with regards to qualification dates on Pearson systems. Subsequently, it appears that a qualification is soon due to lapse, and yet there has been no submission to SQA Accreditation to determine what the awarding body wishes to do with the qualification, as noted under Issue 5. This may be because Pearson systems and/or processes are incorrect/not clear. The awarding body should review the listing reports that SQA Accreditation produce to confirm and verify the start, lapse, and end dates of qualifications accredited.

This has been noted as **Recommendation 3**.

Regulatory Principle 15. The awarding body and its providers shall have effective, reliable and secure systems for the registration and certification of learners.

In relation to Issue 5 above, this situation resulted from Pearson withholding certificates from the provider, which had originally requested certification within the correct timeframes. This had not been processed due a financial block that was placed on it at the time. The Accreditation Auditor explained to the awarding body that this was unacceptable practice, which had led to the candidates being disadvantaged, due to the untimely nature of their certifications. The Accreditation Auditors reviewed the awarding body policy 'Withholding Results and Certificates from Candidates and Learners Policy' (Pearson, March 2018, Version 3.0), which states that Pearson will not withhold certification due to financial issues. It was confirmed that this policy was put in place subsequent to the event. Moreover, the Accreditation Auditors are satisfied that threat of this happening again has been mitigated, and therefore believe it is appropriate to place a reduced risk rating on this Issue.

This has been noted as **Recommendation 4**.

Regulatory Principle 15. The awarding body and its providers shall have effective, reliable and secure systems for the registration and certification of learners.

And

Regulatory Principle 7. The awarding body shall have effective arrangements for communicating with its staff, stakeholders and SQA Accreditation.

A review of registration data, from the submitted data returns referred to in Issue 5, indicated a number of late registrations within the lapsing period in respect of accredited qualifications.

Although such registrations do not amount to a compliance issue as such, SQA Accreditation encourages awarding bodies to support late registrations only in exceptional circumstances

The Accreditation Auditors recognise the awarding body policy on handling late registrations 'Late Registration and Certification Policy' (Pearson, November 2016, Version 0.1) and accept this as a basis for managing them effectively. Nonetheless, the awarding body may wish to enhance the process to ensure that the qualification regulator is notified when any such exceptional circumstances occurs in relation to late registrations and to ensure that a strong rationale for the late registrations is given by Providers.

This has been noted as **Recommendation 5**.

3 Acceptance of Audit Findings

For and on behalf of Pearson Education Limited:

For and on behalf of SQA Accreditation:

Print name

Print name

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LAURA WALKERDINE

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Signature

Signature

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Designation

Designation

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SENIOR REGULATION MANAGER

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Date

Date

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9 JULY 2018

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